

(ii) Deem the application to be complete and commence a new review period of the completed application; or

(iii) Deem the application to be materially deficient and/or substantially incomplete and return it to the applicant. In the case of an application that raises a significant issue of policy or law, actions taken by the Region shall not commence any of the periods for review of a completed application described in paragraph (d) of this section.

(6) [Reserved]

(7) The OTS, at its discretion, may deem an application to be materially deficient and/or substantially incomplete in the event that the applicant or an affiliate of the applicant is or becomes subject to an investigation, examination, administrative proceeding by a federal or state or municipal court, department, agency or commission or other governmental entity, or a self-regulatory trade or professional organization, or intra-governmental inquiry, that is pertinent to the standards applicable to the OTS's evaluation of the application or relates to a determination the OTS is required to make in connection with the application under the applicable statute or regulation.

(d) *Failure by the OTS to approve or deny an application or to disapprove a notice.* (1) If, upon expiration of the applicable period for review of any complete application to which this section applies, or any extension of such period, the OTS has failed to approve or deny such application (or, in the case of a notice, to disapprove such notice), the application shall, without further action, be deemed to be approved, or, in the case of a notice, not disapproved by the OTS. For purposes of the previous sentence, the period for review of all applications shall be 60 calendar days beginning from the application's deemed complete date, including any application or notice submitted pursuant to §575.3(b) or part 574 of this chapter.

(2) In the event that more than one application is being submitted in connection with a proposed transaction or other action, the applicable period for review of all such applications shall be the review period for the application having the longest period for review,

subject to any applicable statutory periods.

(e) *Extension of time for review.* The period for review of an application deemed to be complete may be extended by the OTS for 30 days beyond the time period for review set forth in paragraph (d) of this section. The OTS shall notify an applicant at least 10 days prior to the expiration of the period for review of a complete application that such review period is being extended for 30 days and shall state the general reason(s) therefor.

(f) *Extension of time for OTS's review of applications raising significant issues of law or policy.* In those situations in which an application presents a significant issue of law or policy, the applicable period for review of such application also may be extended by the OTS beyond the time period for review set forth in paragraph (d) of this section or any extension thereof pursuant to paragraph (e) of this section until such time as the OTS acts upon the application. In such cases, written notice shall be provided to an applicant not later than the expiration of the time period set forth in paragraph (d) of this section or any extension thereof pursuant to paragraph (e) of this section that the period for review is being extended in accordance with this paragraph (f), which notice shall also state the general reason(s) therefor.

[57 FR 14336, Apr. 20, 1992, as amended at 58 FR 44114, Aug. 19, 1993; 62 FR 64143, Dec. 4, 1997]

§516.3 Definitions.

(a) *Expedited treatment.* (1) A savings association is eligible for expedited treatment by the OTS if all of the following conditions exist:

(i) The savings association has a composite rating of 1 or 2;

(ii) The savings association has a Community Reinvestment Act (CRA) rating of satisfactory or better;

(iii) The savings association has a Compliance rating of 1 or 2;

(iv) The savings association is meeting all of its capital requirements under part 567 of this chapter; and

(v) The savings association has not been notified by supervisory personnel that it is a problem association or an association in troubled condition.

(2) Where specified by regulation, a savings association that qualifies for expedited treatment under paragraph (a)(1) of this section may engage in activities upon filing a notice with the OTS together with any necessary certifications. For these activities, a notice will be all that is required and an association may engage in the activity unless the OTS objects within 30 days. Such notices are deemed to be applications for purposes of statutory and regulatory references to "applications."

(3) The OTS may require complete applications from savings associations that otherwise qualify for expedited treatment in situations raising supervisory concern or a significant issue of law or policy and may request additional information from such associations when necessary. In these circumstances, the OTS may determine that such applications no longer qualify for expedited treatment.

(b) *Standard treatment.* (1) A savings association will receive standard treatment if any of the following conditions exist:

(i) The savings association has a composite rating of 3, 4 or 5;

(ii) The savings association has a less than satisfactory CRA rating;

(iii) The savings association has a Compliance rating of 3, 4, or 5;

(iv) The savings association has inadequate capital, including failing any one of its capital requirements under part 567 of this chapter; or

(v) The savings association has otherwise been notified by supervisory personnel as being a problem association or an association in troubled condition.

(2) Savings associations receiving standard treatment shall be required to file complete applications under the applicable regulations of this chapter with the OTS. Such applications will be denied unless the association affirmatively demonstrates how the application will clearly improve its financial and/or managerial condition or improve its compliance with the CRA or other consumer-related statutes without adversely affecting its financial or managerial resources.

(c) *Composite rating.* Composite rating means the composite numerical rating assigned to the savings association by the OTS under the Uniform Financial

Institutions Rating System¹ or an equivalent rating under a comparable rating system adopted by the OTS, and refers to the most recent rating (as determined either on-site or off-site by the most recent examination) of which the savings association has been notified in writing.

(d) *CRA rating.* Through June 30, 1989, savings associations received one of five CRA ratings: Outstanding (1), Good (2), Satisfactory (3), Needs Improvement (4), or Unsatisfactory (5). For examinations begun between July 1, 1989 and June 30, 1990, savings associations received numerical ratings of 1 through 5. During this period, ratings of 1 and 2 were considered satisfactory or better and 3, 4, and 5 were less than satisfactory. Savings associations examined for CRA performance after July 1, 1990 receive one of four ratings: Outstanding, Satisfactory, Needs to Improve, or Substantial Noncompliance.

(e) *Compliance rating.* A savings association's Compliance rating is determined pursuant to the OTS Compliance Rating System which measures an association's compliance with civil rights, consumer protection, and public interest regulations, including the Bank Secrecy Act, Bank Protection Act, Equal Employment Opportunity, Economic Sanctions, and Advertising.

[57 FR 14336, Apr. 20, 1992, as amended at 60 FR 66717, Dec. 26, 1995; 62 FR 3780, Jan. 27, 1997]

Subpart B—Publication Requirements

SOURCE: 62 FR 64143, Dec. 4, 1997, unless otherwise noted.

§ 516.50 Who must publish a public notice of an application?

This subpart applies whenever an OTS regulation requires an applicant ("you") to follow the public notice procedures in this subpart.

§ 516.60 When must I publish the public notice?

You must publish a public notice of the application no earlier than seven

¹Copies are available at the address specified in § 516.1 of this part.